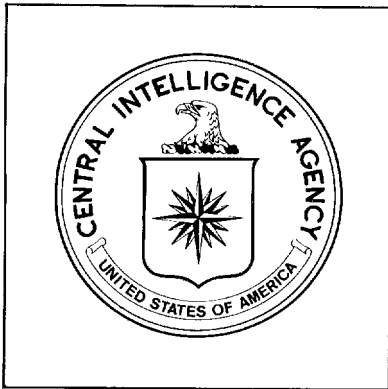


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STAFF NOTES:

Latin American Trends

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LATIN AMERICAN TRENDS

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Brazil: Gambling in Angola

14 2
Brazil's rush to recognize the Popular Movement for the Liberation of Angola on the day the African territory became independent requires more explanation than the Brazilians have so far seen fit to give. At first glance, the action seems to contradict the policy implicit in the instructions given to the Brazilian mission in Luanda when it was established last January, which were to observe events closely, but to stay out of domestic matters.

2
Foreign Ministry officials can maintain that recognition does not mean approval and that Brasilia has, in strict legal terms, merely acknowledged that the MPLA is in de facto control of the Angolan capital. The firmness of this shaky posture, however, will almost certainly be tested by the warring African movements in actions that could prove highly embarrassing to the Brazilians. The diplomatic gesture probably has already caused some chagrin among conservative Brazilian military officers, who see that their government is virtually alone in recognizing a regime that owes its existence to Soviet and Cuban military support.

2
The act of recognition seems to be a gamble that, over the long term, the Angolans will remember only that Brazil was among the first to recognize the new nation. Foreign Minister Antonio Azeredo da Silveira has said privately that a major consideration was to spur the establishment of relations between Brazil and Mozambique --which followed on November 15. Ultimately the Brazilians seek to expand trade relations and forge closer diplomatic ties with the emerging nations of Portuguese Africa. These aspirations may prove to be overly optimistic despite Brazil's apparent eagerness to erase the past. Because of Brazil's historical involvement in the African slave trade and its tacit support of Portuguese foreign policy, it is only slightly less resented than the Portuguese themselves. (CONFIDENTIAL/NOFORN)

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Moreover, Calabro's tactics are only possible given the fragmented state of the Peronist movement. His defection may well encourage others to leave the fold, thus dividing the movement still further. Indeed, at least one significant splinter group has recently intensified its level of activity. The splintering of Peronism, however, will not reduce the political importance of workers, who form its very basis. With or without a formal movement, workers will continue to make demands that must be met; without the discipline of the union organizations they would be more difficult than ever to control.

112
To the extent that Calabro's actions contribute to the weakening of President Peron's position, military and other critics of her government are apt to welcome his success. Some, however, particularly the military, are not pleased by the prospect of yet another demagogue riding to power on a wave of labor support. Calabro's rhetorical style last week certainly was reminiscent of Juan Peron's ringing speeches to throngs of the faithful.

If indeed it should eventually become apparent that Calabro is what Argentines want, the military will probably have little choice but to allow him to proceed with his attempts to gain the presidency. For the moment, however, the officers are hoping that events will lead to a definitive discrediting of Peronism so that they or civilians they deem responsible can go about the business of governing Argentina without the burden of the myth of Peron. (CONFIDENTIAL)

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Argentina: Calabro Comes on Strong

The growing prominence of Victorio Calabro, leading Peronist opponent of the administration, poses problems both for presidential loyalists and for other administration critics.

1, 2
Though formally expelled from the Peronist party for his strong criticism of the President, the Buenos Aires governor maintains that he, and not those in Government House, represents true Peronism. To drive home this point, Calabro last week organized a rally in La Plata, the provincial capital. Some 30,000 turned out to hear Calabro, who is also a union official, hurl defiance at the government and at Peronist party officials. He made clear his intention to build an independent base of support within the labor movement.

His speech was replete with references to the teachings of "our leader, General Peron," and to the harm the administration has done to wages and employment prospects with its economic policies. When some in the crowd chanted "Calabro, President," he "begged" them to desist, saying he had come not to "fight the government in order to get another office" but only to "expose the country's great problems."

Now that he is out of the ruling party, Calabro is relieved of restraints on his anti-government rhetoric. Some within orthodox Peronism undoubtedly counseled against his expulsion from the party for fear of unleashing an unpredictable but potent force, but they succeeded only in delaying the decision. In the aftermath of the rally, impressive because it was well-attended even though held in an outlying city against official wishes, Peronists have sought to play down its importance. One legislator termed Calabro's statements "subversive."

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Calabro is a formidable political figure. He is an official of the metalworkers, the most influential of the unions, and governor of the nation's most important province. As governor he is eligible, under the current succession law, to be chosen President by congress if Mrs. Peron should leave office before her term expires. His labor credentials are particularly noteworthy at a time when the prestige of labor's top leaders, Lorenzo Miguel and Casildo Herreras, is seriously declining.

1, 2
The 44-year-old governor is a product of the rough and often corrupt world of labor politics. Active in unionism since his youth, he has been a metalworkers official since the early 1950s. He has been at odds for some time with Lorenzo Miguel, the national head of the metalworkers as well as secretary general of that group of unions that profess greatest loyalty to Juan Peron. Calabro may well have been behind a number of recent strikes designed to embarrass Miguel, until recently a leading supporter of the President who has generally been anxious to preserve labor peace. Even though Calabro's path to the presidency of the nation may be blocked, he appears to be well on his way to becoming the number one man in labor. As such he could have a strong voice in determining the success or failure of whoever does become the chief executive.

The emergence of Calabro as a Peronist challenger is likely to complicate the anxious search for a solution to the party's and the nation's leadership problem. In the first place, it adds to the number of potential contenders for the presidency. Interior Minister Robledo and Economy Minister Cafiero are already strong possibilities, along with Senate President Luder, who exercised presidential duties during Peron's recent month-long absence. The positions of all three have suffered at least a temporary setback, however, due to their failure to control the erratic President.

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Panama: Labor Shift A Bow to Business

1 The presidential information office announced on November 8 that the minister and vice minister of labor, Rolando Murgas and Luis Shirley, would be replaced by Adolfo Ahumada and Arnulfo Boutet, respectively. The new minister, Ahumada, was an influential member of the National Legislative Commission (in effect, Panama's day-to-day legislature), a member of the inner group of Panama's canal negotiating team, and a leftist former member of Panama's communist party. By contrast, Boutet, who moves from his post as governor of Chiriqui province, is described as a "moderate conservative."

14 2 The shift results from the need to dump Murgas, who had become somewhat of a political liability. As architect of Panama's liberal labor code and a participant in many labor dispute actions that were considered antimanagement, he was doubly disliked by business. Torrijos is presently seeking to foster good relations with the oligarchy-linked business community, most of which still has a basic mistrust of the Panamanian strongman. His fence-mending efforts have highlighted meetings and seminars between government spokesmen and business representatives. Murgas' ouster is part of this dialog effort, which has been prompted by Torrijos' concern for maintaining domestic tranquility since he knows he will probably have to wait until 1977 for a breakthrough in the treaty negotiations with tighter economic times possible in the interim.

14 2 Management has certainly hoped that Murgas would go, and the US Embassy feels that the Ahumada-Boutet team will be regarded as a gain by the business community, with Ahumada's leftist cast balanced by his reported pragmatism and Boutet's more moderate style.

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However, business will undoubtedly take a long hard look at this new duo--to see whether Ahumada's leftist leanings are really countered when it comes down to practical matters. Business recognizes that Murgas did not operate in a vacuum and that the ministry's pro-labor stance owed much to Torrijos' own view of labor as one of his natural new constituencies supporting his leadership. It is Ahumada's leftist credentials that make him acceptable to labor, and Torrijos has an interest in preserving them and the appearance of a leftist, "revolutionary" regime.
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OAS Reverts to Doldrums

3, 2 The lack of a clear role for the Organization of American States beyond its humanitarian and cultural business is evident in the deterioration of the effort to reform the OAS charter. The plan to redefine and restructure the OAS remains unfulfilled after nearly three years of work. What has evolved instead of some fresh conceptual thinking is the use of the original charter as a Christmas tree on which to hang popular Latin principles of international law and assertions of the economic rights of underdeveloped countries. The new draft charter as it stands fails to smooth the way for a cooperative relationship, and in fact seems merely to restate points of disagreement between the US and the rest of the hemisphere. This situation has developed in large part because most of the delegates have allowed the Peruvian and Mexican representatives to take and hold a leadership position, which they have used to promote their favored third-world points of view.

3 Most governments are obviously sending their diplomatic talent where the action is: the UN, numerous international economic conferences, and Latin-only regional forums such as the new Latin American Economic System.

3 The spirit of hemispheric unity has suffered too from the Belize affair, in which the Caribbean English-speaking members line up forcefully on the side of Belizean independence while the Latinos tend to side with Guatemalan claims on the colony.

1 Chile's offer to host the next OAS General Assembly created another minor flap. Mexico has severed relations with Santiago and other governments are also reluctant to grant a regional honor to the Pinochet

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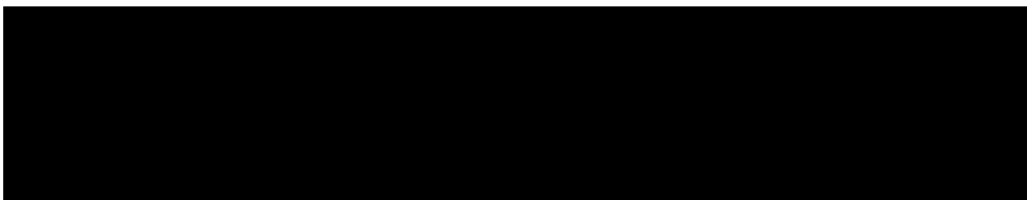
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government. The Permanent Council has voted to postpone the assembly from April until June 10, ostensibly because of the press of business but more pertinently as a hint to Santiago to withdraw its invitation.

2 Without the reestablishment of dialogue between Latin America and the US, the OAS seems disposed to languish, showing spurts of vitality only as the Latins react against some newly perceived affront from Washington. Moreover, from the Latin point of view, "dialogue," by definition, entails an affirmative and substantive response from Washington to oft-repeated Latin demands. (CONFIDENTIAL/NOFORN)

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